

OVERVIEW

The *Within Reach*TM Conventional Down Payment Assistance Program (DAP) is a competitively priced Conventional loan program that does not require a minimum down payment from the homebuyer(s), exclusively offered from Land Home Financial Services, Inc. (LHFS). *Within Reach*TM provides your borrower(s) with a choice of a 4% DAP or a 5% DAP.

Effective for all loans locked on or after 4/16/2018, the program will change from a grant to a down payment assistance program. This home loan program is a purchase money first lien mortgage with down payment assistance in the form of a subordinate soft second lien with a 3-year term, forgiven at 1/36th of the loan repayment amount for each full calendar month over a 3-year period, for purchase buyers on their primary residence. Borrower(s) must remain current on their mortgage for the second mortgage to be forgiven.

Please note: *Within Reach*TM Conventional for Manufactured Housing will remain a Grant.

- Refinance transactions are not eligible.
- Conforming loan amounts only
- Minimum FICO 620
- No manual underwriting allowed
- Down payment assistance is in the form of a soft second lien, 0.00% interest, forgiven over a 3-year period (1/36th).
 - *Within Reach*TM less than [or equal to 80% AMI](#) – DAP of 5% offered
 - *Within Reach*TM less than [or equal to 100% AMI](#) – DAP of 4% offered
- Income limits are based off credit qualifying income reported on the 1003. All eligible income must be used in income limit calculation regardless of need. Manipulation of income to meet the income limit is not acceptable.
- LHFS prepares - TRID partial exemption applies to the soft second lien:
 - NHF Program – Partial Exemption Disclosure and HUD-1 Settlement Statement required
 - LE and CD's not eligible
- No minimum borrower cash investment requirement
- LTV 97.00%/CLTV 105.00%
- Benefit – Mortgage insurance coverage is lower at 25% and cancellable vs. FHA financing life of loan
- Manufactured housing is allowed only under the [Within Reach](#)TM MH guidelines program

<i>Within Reach</i> TM <80% AMI	<i>Within Reach</i> TM <100% AMI
LTV 97%	LTV 97%
AMI must be 80% or below	AMI must be 100% or below
LHFS preferred AUS - LPA (Accept/Eligible required)	LHFS preferred AUS - LPA (Accept/Eligible required)
5.00% DAP	4.00% DAP
up to 2.00% Origination fee	up to 2.00% Origination fee

PROGRAM CODES

<i>Within Reach</i> TM <100% AMI and 4% DAP Fixed	WCWRHP30<100AMI4-000
<i>Within Reach</i> TM <80% AMI and 5% DAP Fixed	WCWRHP30<80AMI5-000

NOTE: Standard LHFS [overlays](#) apply to this Down Payment Assistance Program.

*Within Reach*TM Conventional Guidelines Summary

FIRST MORTGAGE LOAN TYPES AND TERMS	<ul style="list-style-type: none"> • First mortgage conventional 30-year fixed term with full amortization, purchase transaction only • No buy-downs are allowed • Par priced program, no premium or discounts allowed
BORROWER ELIGIBILITY	<p>Borrower must meet the following requirements:</p> <ul style="list-style-type: none"> • All borrowers must occupy the property as their primary residence • Cosigners/Non-occupying co-borrowers are not allowed. • Meet Income Limits (See income limits section) • Manual underwriting in not allowed under this program.
CASH BACK TO BORROWER	<p>Borrower may receive the difference of their earnest money cash back. No portion of the DAP, seller credits (including tax proration credits) or lender credits may be given back to the borrower and principal curtailments are not allowed. If the appraisal fee was paid by debit card transaction, a copy of the bank statement listed on the 1003 showing immediate withdrawal from the borrowers account, will be considered as a part of the borrower's cash, eligible to be refunded to the borrower outside close of escrow.</p>
DESCRIPTION	<p>LHFS 1st conventional mortgage program combined with down payment assistance in the form of a soft second DAP.</p> <p><i>Within Reach</i>TM Less Than 80% AMI</p> <ul style="list-style-type: none"> • 5% of the first mortgage loan amount • Up to 2.00% Origination Fee • 97% LTV <p><i>Within Reach</i>TM Less Than 100% AMI</p> <ul style="list-style-type: none"> • 4% of the first mortgage loan amount • Up to 2.00% Origination Fee • 97% LTV
DISCLOSURES	<p>1st mortgage follows standard disclosure requirements, both LE and CD. 2nd mortgage will require NHF Program – Partial Exemption Disclosure, with a final HUD-1 at settlement Note: the 1% maximum allowed fees on the 2nd does not include recording or title transfer fees</p>
DOWN PAYMENT AND CLOSING COST ASSISTANCE	<p>DAP can be applied to both borrower minimum investment required and/or to any closing costs.</p> <ul style="list-style-type: none"> • DAP funds are reserved when the loan is locked. • LHFS will advance the DAP funds at closing. <p>Per FHLMC guidelines:</p> <ul style="list-style-type: none"> • Additional gift funds and seller concessions are allowed. • No minimum borrower contribution required.
ELIGIBLE PROPERTIES	<p><u>Eligible:</u></p> <ul style="list-style-type: none"> • Single family detached or semi-detached • Condo units in an approved project (follow agency guidelines) • PUD attached or detached • Manufactured allowed, follow LHFS Within ReachTM MH guidelines <p><u>Ineligible:</u></p> <ul style="list-style-type: none"> • No properties with significant repairs not paid by seller or buyer prior to closing are allowed (No repair escrows or holdbacks) • Properties used for investment property, second home, or the operation of a business • 2-4 unit
ELIGIBLE STATES	Nationwide Program



*Within Reach*TM Conventional Guidelines Summary

FEES	<ul style="list-style-type: none"> Up to 2.00% borrower paid compensation is allowed for this program (No LPC) Third-party processing fee may not exceed \$795. LE must show "Mortgage Broker Compensation – Borrower Paid" LHFS standard <i>Within Reach</i>TM admin fee of \$1145 applies to all loans A fee of \$400 will apply to each expired lock / locked loan not delivered. <p><u>2nd Mortgage:</u></p> <ul style="list-style-type: none"> Escrow/Settlement Agency fees may not exceed 1% of the loan amount. Recording fees and transfer tax are not included in the 1% tolerance. Avoid any potential delays: Contact title company for 2nd mortgage fee amounts, notify LHFS of cost.
FIRST-TIME HOMEBUYER	<ul style="list-style-type: none"> Both 1st time homebuyers and repeat buyers allowed Subject to restrictions noted in Ownership of Other Residential Property
HOMEBUYER EDUCATION	<p>At least one borrower must participate in a homeownership education program before the Note date.</p> <ul style="list-style-type: none"> Homeownership education must not be provided by an interested party to the transaction, LHFS, or by the seller. Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable: <ol style="list-style-type: none"> Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) Programs developed by mortgage insurance companies Programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (www.homeownershipstandards.com) As an alternative to the programs listed above, LHFS allows CreditSmart® which meets the homeownership education requirements, provided: <ul style="list-style-type: none"> The borrower completes the on-line Credit Smart® – Steps to Homeownership Tutorial, which includes: <ul style="list-style-type: none"> Module 1 (Your Credit and Why It Is Important) Module 2 (Managing Your Money) Module 7 (Thinking Like a Lender) Module 11 (Becoming a Homeowner) and Module 12 (Protecting Your Investment) The financial literacy curriculum is not provided by an interested party to the transaction, the originating lender or by the seller. A copy of Exhibit 20, Homeownership Education Certification, or another document (such as the CreditSmart® – Steps to Homeownership certificate of completion) containing comparable information must be retained in the mortgage file.
INCOME LIMITS	Income Limits
LOCK STATUS	<p>May lock at Conditionally Approved, with appraisal received. Loans are locked and DAP funds reserved at the same time. Please Note: If loan is locked, and DAP amount (%) needs to change, the lock will be cancelled, a \$400 cancelation fee will apply, and 30 days must elapse before locking to the new program.</p>
MORTGAGE INSURANCE	25% coverage is required, and must be Borrower Paid Monthly
OFFERING IDENTIFIER	<p>Land Home preferred AUS – LPA Select Offering Identifier "Home Possible" for single family properties, condos, or PUD's (attached or detached).</p>



*Within Reach*TM Conventional Guidelines Summary

OWNERSHIP OF OTHER RESIDENTIAL PROPERTY	<p>Borrower(s) may not, as of the Note Date have an ownership interest in any other residential properties, except as stated below: The Borrower may have an ownership interest in a residential property other than the Mortgaged Premises if the Borrower does not occupy the property, and documents the following in the mortgage file:</p> <ul style="list-style-type: none"> • The Borrower inherited their ownership interest in the property and shares ownership with another party, or • The Borrower owns the property with another party and the debt associated with the property was assigned to the other party by a court order (e.g. divorce decree), or • The Borrower is a cosigner/guarantor on the related mortgage debt and someone other than the Borrower has made payments on the debt associated with the property for the most recent 12 months, as documented with copies of canceled checks or a statement from the lender.
SALES PRICE LIMITS	No sales price limits
SERVICER	<p>Master Servicer 1st: Land Home Financial Services, Inc. Master Servicer 2nd: Land Home Financial Services, Inc.</p>
SUBORDINATE FINANCING	<p>The “soft second” will close in the name of National Homebuyers Funds and follow RESPA partial exemption:</p> <ul style="list-style-type: none"> • Initial Truth In Lending Disclosure • Subordinate Loan Promissory Note • Subordinate Deed of Trust • 2nd HUD-1 at closing
UNDERWRITING	<ul style="list-style-type: none"> • LHFS will follow Agency Guidelines. • Subject to LHFS overlays as well as those outlined in borrower’s eligibility • Program Specific requirements: <ul style="list-style-type: none"> • FICO score 620-699, maximum DTI is 45% with Accept/Eligible • FICO score 700+, maximum DTI is 50% with Accept/Eligible • LHFS preferred AUS - LPA (Accept/Eligible required) No manual underwriting allowed • Submit as Home Possible



1003 DETAIL

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse or other person who has community property rights pursuant to state law will not be used) or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to applicable law and Borrower resides in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower _____	Co-Borrower _____	
I. TYPE OF MORTGAGE AND TERMS OF LOAN		
Mortgage Applied for:	<input type="checkbox"/> VA <input type="checkbox"/> FHA	<input type="checkbox"/> Conventional <input type="checkbox"/> USDA/Rural <input type="checkbox"/> Other (explain): _____
		Agency Case Number _____

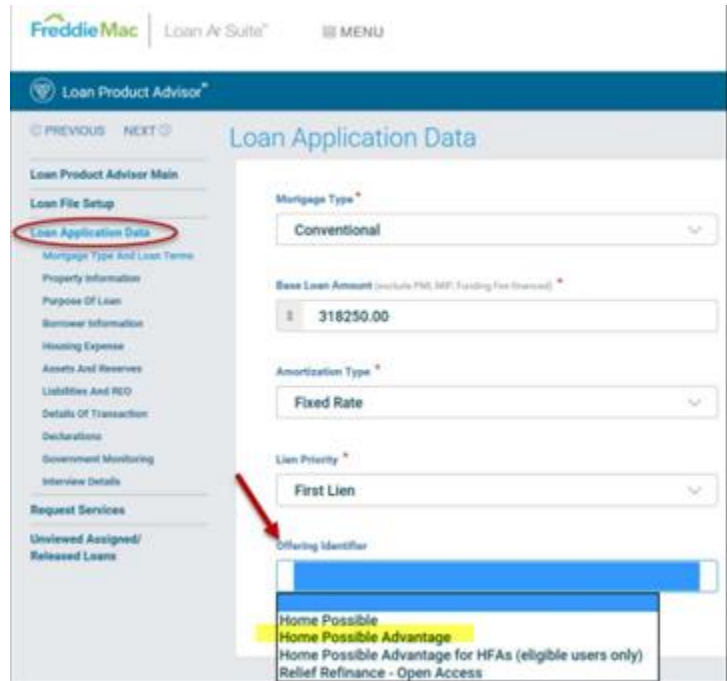
II. PROPERTY INFORMATION AND PURPOSE OF LOAN					
Subject Property Address (street, city, state & ZIP)					No. of Units
Legal Description of Subject Property (attach description if necessary)					Year Built
Purpose of Loan			Property will be:		
<input type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain): _____ <input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent			<input type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment		
<i>Complete this line if construction or construction-permanent loan.</i>					
Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a + b)
	\$	\$	\$	\$	\$
<i>Complete this line if this is a refinance loan.</i>					
Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	<input type="checkbox"/> made <input type="checkbox"/> to be made
	\$	\$		Cost: \$	
Title will be held in what Name(s)				Manner in which Title will be held	
Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain) <div style="text-align: center; color: red; font-weight: bold;">Down Payment Assistance</div>				<input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)	

1003 Page 1 – Source of Down Payment – “Down Payment Assistance”

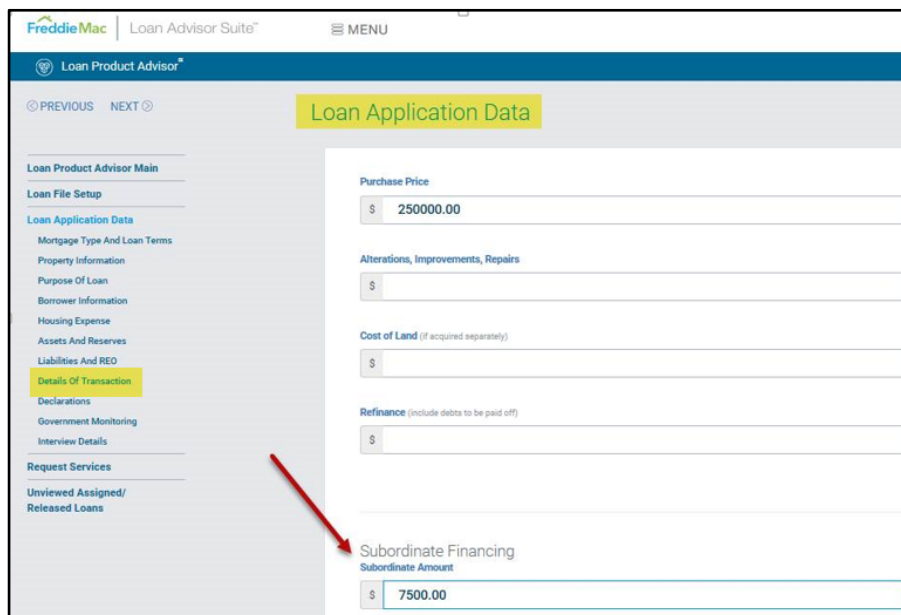
INPUTTING INTO LAND HOME PREFERRED AUS – LPA VISUAL AID



Select send loan, then manually modify the “Mortgage Type and Loan Terms” section and the “Details of Transactions” section.



Subordinate Financing amount must reflect in the Subordinate financing field of the Details of Transaction



LOAN APPLICATION DATA / RUN THE PROPERTY IDENTIFIER

Enter data on the **Loan Application Data** page, beginning with the **Mortgage Type and Loan Terms** subsection.

Mortgage Type and Loan Terms subsection:



If the loan is a Home Possible[®], Home Possible Advantage[™], Home Possible Advantage for HFAs (eligible users only^{*}) or Relief Refinance – Open Access[™] loan, select the applicable product in the **Offering Identifier** field. Home Possible Advantage have 97% maximum loan-to-value (LTV) and 105% maximum total LTV (TLTV) ratio limits for qualified low- and moderate-income borrowers, including first-time homebuyers, who may lack funds for a larger down payment.

^{*}This Mortgage must be delivered by either the HFA, or its M the required Negotiated Commitment to deliver HPA for HFA



The loan **meets** Home Possible income limits based on the property location for address entered

Employment & Income

FORM MESSAGES

- 1X. Signed IRS Form 4506-T. Any borrower, whose income is used to qualify, must sign IRS Form 4506-T at both application and on the Note Date. If it is a great IRS Form 4506-T from application is submitted to the BFC, the requirement to obtain an additional borrower signed IRS Form 4506-T on the Note Date is not required.
- 4Z. If applicable, document on the Uniform Residential Loan Application any employment gaps greater than 30 days and provide an explanation from the borrower in the mortgage file.
- 5P. This loan meets Home Possible income limits based on property location for address entered. This loan must also meet all other Home Possible product requirements for delivery to Freddie Mac.

Employment & Income Section: Feedback message returned when either Home Possible or Home Possible Advantage Offering Identifier has been selected

LOCK INSTRUCTIONS

Submit
Save to Pipeline

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Within ReachTM
DPA Amount

Lien Information

• First Lien Amt/Base Loan Amt
200000

Search for First

• Second Lien Amt.
8000

Search for Second

• HELOC Line Amt.
0

Search for HELOC

• HELOC Drawn Amt.
0

↑

Needs to be selected to receive pricing

• Price/Estimated Value
206200

• LTV
96.99

Waive Escrows
No

• Appraisal Amount
206200

CLTV
100.87

Lender Paid Compensation?
Borrower Paid

Loan Purpose
Purchase

HCLTV (Line Amt)
0

• Date Submitted / Forward Lock
07/24/2018

• Cash-Out Amount
0

HCLTV (Drawn Amt)
0

Include Admin Fee?
No

Secondary Financing
Community/Affordable